



POSTAL SERVICE

Change in Rates and Classifications of General Applicability for Competitive Products

AGENCY: Postal Service.

ACTION: Notice of a change in rates and classifications of general applicability for competitive products.

SUMMARY: This notice sets forth changes in rates and classifications of general applicability for competitive products.

DATES: Applicability date: July 13, 2025.

FOR FURTHER INFORMATION CONTACT: Elizabeth Reed, 202-268-3179.

SUPPLEMENTARY INFORMATION: On May 8, 2025, pursuant to their authority under 39 U.S.C. 3632, the Governors of the Postal Service established price and classification changes for competitive products. The Governors' Decision and the record of proceedings in connection with such decision are reprinted below in accordance with section 3632(b)(2). Mail Classification Schedule language containing the new prices can be found at www.prc.gov.

Kevin Rayburn,

Attorney, Ethics and Legal Compliance.

**DECISION OF THE GOVERNORS OF THE UNITED STATES POSTAL SERVICE ON CHANGES
IN RATES AND CLASSIFICATIONS OF GENERAL APPLICABILITY FOR COMPETITIVE
PRODUCTS (GOVERNORS' DECISION NO. 25-1)**

May 8, 2025

STATEMENT OF EXPLANATION AND JUSTIFICATION

Pursuant to our authority under section 3632 of title 39, as amended by the Postal Accountability and Enhancement Act of 2006 ("PAEA"), we establish prices and classifications of general applicability for the Postal Service's competitive products. The changes are described generally below, with a detailed description of the changes in the Postal Service's associated draft Mail Classification Schedule change document. That document contains the draft Mail Classification Schedule sections with classification changes in legislative format, and new prices displayed in the price charts.

As shown in the nonpublic annex being filed under seal herewith, the changes we establish should enable each competitive product to cover its attributable costs (39 U.S.C. § 3633(a)(2)) and should result in competitive products as a whole complying with 39 U.S.C. § 3633(a)(3), which, as implemented by 39 C.F.R. § 3035.107(c), requires competitive products collectively to contribute a minimum of 9.6 percent to the Postal Service's institutional costs. Accordingly, no issue of subsidization of competitive products by market dominant products should arise (39 U.S.C. § 3633(a)(1)). We therefore find that the new prices and classification changes are in accordance with 39 U.S.C. §§ 3632–3633 and 39 C.F.R. §§ 3035.102 and 104.

I. Domestic Products

A. Priority Mail Express

Priority Mail Express prices will not change for July 2025, and the existing price structure will be maintained. Non-Standard Fees (NSF) applicable to Priority Mail Express packages will be restructured for July 2025. Finally, the IMpb Noncompliance Fee will be renamed the Package Quality Noncompliance Fee.

B. Priority Mail

On average, Priority Mail prices will be increased by 6.3 percent, and the existing price structure will be maintained.

Retail prices will increase by an average of 7.3 percent. Retail Flat Rate Box prices will be: Small, \$11.70; Medium, \$21.05; Large, \$29.95 and Large APO/FPO/DPO, \$28.70. Thus, the Large APO/FPO/DPO Flat Rate Box will be \$1.25 less than the Large Flat Rate Box. The regular Flat Rate Envelope will be priced at \$11.00, with the Legal Size and Padded Flat Rate Envelopes priced at \$11.20 and \$11.95, respectively.

The Commercial price category will increase by 5.1 percent on average. Commercial prices will, on average, reflect a 14.6 percent discount off of Retail prices. Non-Standard Fees (NSF) applicable to Priority Mail packages will be restructured for July 2025. Finally, the IMpb Noncompliance Fee will be renamed the Package Quality Noncompliance Fee.

C. Parcel Select

On average, Parcel Select prices as a whole will increase 7.6 percent. For destination delivery unit (DDU) entered parcels, the average price increase is 10.0 percent. For destination hub (Dhub) entered parcels, the average price increase is 0.0 percent. For destination sectional center facility (DSCF) destination entered parcels, the average price increase is 7.2 percent. For Connect Local, introduced in 2022, the average price increase is 5.7 percent. The destination network distribution center (DNDC) price category within the Parcel Select product will be eliminated for July 2025, because it now has limited operational value based on recent network changes. Non-Standard Fees (NSF) applicable to Parcel Select packages will be restructured for July 2025. Finally, the IMpb Noncompliance Fee will be renamed the Package Quality Noncompliance Fee.

D. USPS Ground Advantage

USPS Ground Advantage, introduced in July 2023, is the Postal Service's flagship ground package product. Overall, USPS Ground Advantage prices will increase 7.1 percent on average, and the existing structure will be maintained. Retail prices will increase 9.8

percent on average, while Commercial prices will increase 4.7 percent on average. The Alaska Limited Overland Routes (LOR) price category will see a 9.9 percent average increase for July 2025. New for July 2025, USPS Ground Advantage Commercial packages will be sealed against inspection, which will better align it with our Retail offering and help to grow USPS Ground Advantage volume. Non-Standard Fees (NSF) applicable to USPS Ground Advantage packages will be restructured for July 2025. Finally, the IMpb Noncompliance Fee will be renamed the Package Quality Noncompliance Fee.

F. Domestic Extra Services

No competitive Extra Services prices will change for July 2025.

II. International Products

No competitive International Products prices will change for July 2025.

ORDER

The changes in prices and classes set forth herein shall be effective at 12:01 A.M. on July 13, 2025. We direct the Secretary of the Board of Governors Office to have this decision published in the *Federal Register* in accordance with 39 U.S.C. § 3632(b)(2) and direct management to file with the Postal Regulatory Commission appropriate notice of these changes.

By The Governors:

/s/

Amber F. McReynolds
Chairman, Board of Governors

**UNITED STATES POSTAL SERVICE
OFFICE OF THE BOARD OF GOVERNORS**

**CERTIFICATION OF GOVERNORS' VOTE ON
GOVERNORS' DECISION NO. 25-1**

Consistent with 39 USC 3632(a), I hereby certify that, on May 8, 2025, the Governors voted on adopting Governors' Decision No. 25-1, and that a majority of the Governors then holding office voted in favor of that Decision.

/s/

Date: May 8, 2025

Lucy C. Trout
Acting Secretary of the Board of Governors

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